



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2007
OF THE CONDITION AND AFFAIRS OF THE

Grand Valley Health Plan, Inc.

NAIC Group Code	0000	0000	NAIC Company Code	95453	Employer's ID Number	38-2396958
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated/Organized	12/03/1981		Commenced Business	02/05/1982		
Statutory Home Office	829 Forest Hills Ave SE			Grand Rapids, MI 49546		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	829 Forest Hills Ave		Grand Rapids, MI 49546	616-949-2410		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Mail Address	829 Forest Hills Ave SE		Grand Rapids, MI 49546			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	829 Forest Hills Ave		Grand Rapids, MI 49546	616-949-2410-122		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number)		
Internet Website Address	gvhp.com					
Statutory Statement Contact	Pamela Lea Silva			616-949-2410-122		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	silvap@gvhp.com			616-949-9948		
	(E-Mail Address)			(Fax Number)		
Policyowner Relations Contact	829 Forest Hills Ave SE		Grand Rapids, MI 49546	616-949-2410		
	(Street and Number)		(City or Town, State and Zip Code)	(Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Roland E Palmer	President	Thomas W Schouten	Treasurer/Secretary
Pamela L Silva	Director of Operations		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Roland E Palmer	Thomas W Schouten	Pamela L Silva	Luicille I Grimm
James T Kerby	Kathy L Lentz	Herbert A Start	Margaret Sudekum
Robert Schirado #			

State of Michigan
County of Kent ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Roland E Palmer
President

Thomas W Schouten
Treasurer/Secretary

Pamela L Silva
Director of Operations

a. Is this an original filing? Yes [X] No []

- b. If no,
1. State the amendment number
2. Date filed
3. Number of pages attached

Subscribed and sworn to before me this
day of November, 2007

Ruth Ann Klinger,
5/8/08

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$1,013,913 encumbrances)	1,013,913		1,013,913	1,035,580
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$5,782,637), cash equivalents (\$0) and short-term investments (\$1,004,136)	6,786,773		6,786,773	8,121,780
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets	718,405	0	718,405	689,076
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	8,519,091	0	8,519,091	9,846,436
11. Title plants less \$charged off (for Title insurers only)			0	0
12. Investment income due and accrued			0	0
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	404,792	6,748	398,044	322,769
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	86,975		86,975	100,197
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	370,717		370,717	0
16.2 Net deferred tax asset	574,000	50,614	523,386	460,714
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	74,382	1,989	72,393	97,616
19. Furniture and equipment, including health care delivery assets (\$628,305)	641,561	13,256	628,305	579,604
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	68,742		68,742	143,761
22. Health care (\$540) and other amounts receivable	540		540	107,322
23. Aggregate write-ins for other than invested assets	152,445	152,445	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	10,893,245	225,052	10,668,193	11,658,419
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	10,893,245	225,052	10,668,193	11,658,419
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepays.....	152,445	152,445	0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	152,445	152,445	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	2,509,105		2,509,105	4,067,556
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	91,240		91,240	146,579
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	515,423		515,423	633,306
9. General expenses due or accrued	1,664,085		1,664,085	1,205,725
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	3,625		3,625	10,158
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	55,078		55,078	429,622
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	4,838,556	0	4,838,556	6,492,946
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	312,996	312,996
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	1,212,873	1,212,873
27. Surplus notes	XXX	XXX	500,000	500,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	3,803,768	3,139,604
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24) \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25) \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	5,829,637	5,165,473
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	10,668,193	11,658,419
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	92,887	118,873
2. Net premium income (including \$ non-health premium income).....	XXX	24,850,719	29,843,073
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$298,461 medical expenses)	XXX	351,130	294,809
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	25,201,849	30,137,882
Hospital and Medical:			
9. Hospital/medical benefits	379,200	16,004,579	20,320,962
10. Other professional services	58,985	1,559,497	1,819,358
11. Outside referrals			0
12. Emergency room and out-of-area	473,070	920,933	820,500
13. Prescription drugs		3,720,127	4,724,274
14. Aggregate write-ins for other hospital and medical	0	116,791	152,792
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	911,255	22,321,927	27,837,886
Less:			
17. Net reinsurance recoveries		(1,552)	472,563
18. Total hospital and medical (Lines 16 minus 17)	911,255	22,323,479	27,365,323
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ cost containment expenses.....		135,156	205,218
21. General administrative expenses.....		2,559,407	3,259,316
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	911,255	25,018,042	30,829,857
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	183,807	(691,975)
25. Net investment income earned		545,563	448,462
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	545,563	448,462
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	729,370	(243,513)
31. Federal and foreign income taxes incurred	XXX	186,457	(416)
32. Net income (loss) (Lines 30 minus 31)	XXX	542,913	(243,097)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical.....	0	116,791	152,792
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	116,791	152,792
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	5,165,474	4,560,000	4,560,000
34. Net income or (loss) from Line 32	542,913	(243,097)	346,497
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax		0	0
39. Change in nonadmitted assets	121,250	99,939	258,976
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in		0	1
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital & surplus (Lines 34 to 47)	664,163	(143,158)	605,474
49. Capital and surplus end of reporting period (Line 33 plus 48)	5,829,637	4,416,842	5,165,474
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	24,656,582	39,617,820
2. Net investment income	516,592	647,721
3. Miscellaneous income	350,590	428,924
4. Total (Lines 1 to 3)	25,523,764	40,694,465
5. Benefits and loss related payments	23,707,566	36,766,421
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,351,980	4,632,234
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	438,174	231,000
10. Total (Lines 5 through 9)	26,497,720	41,629,655
11. Net cash from operations (Line 4 minus Line 10)	(973,956)	(935,190)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	(70,949)
12.7 Miscellaneous proceeds	0	155,580
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	84,631
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	84,631
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	1
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(361,051)	712,177
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(361,051)	712,178
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(1,335,007)	(138,381)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	8,121,780	8,260,161
19.2 End of period (Line 18 plus Line 19.1)	6,786,773	8,121,780

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE Grand Valley Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	11,698	132	9,922	.0	.0	.0	1,644	.0	.0	.0
2 First Quarter	10,610	111	8,868	.0	.0	.0	1,631	.0	.0	.0
3 Second Quarter	10,215	106	8,499	.0	.0	.0	1,610	.0	.0	.0
4. Third Quarter	9,689	100	7,996				1,593			
5. Current Year	.0									
6 Current Year Member Months	.0									
Total Member Ambulatory Encounters for Period:										
7. Physician	28,302	353	23,321				4,628			
8. Non-Physician	10,527	121	8,683				1,723			
9. Total	38,829	474	32,004	.0	.0	.0	6,351	.0	.0	.0
10. Hospital Patient Days Incurred	1,264	3	1,206				55			
11. Number of Inpatient Admissions	369	2	346				21			
12. Health Premiums Written	25,241,506	317,109	20,161,999				4,762,398			
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned	25,165,252	314,345	20,088,509				4,762,398			
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services	23,881,930	255,565	19,877,740				3,748,625			
18. Amount Incurred for Provision of Health Care Services	22,321,928	281,084	17,818,162				4,222,682			

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE Grand Valley Health Plan, Inc.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	1,530,484	17,833,656	124,501	1,909,952	1,654,985	3,426,572
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan	357,073	4,160,718	29,047	445,605	386,120	640,984
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid .....					.0	.0
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	1,887,557	21,994,374	153,548	2,355,557	2,041,105	4,067,556
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....					.0	.0
13. Totals	1,887,557	21,994,374	153,548	2,355,557	2,041,105	4,067,556

(a) Excludes \$ loans and advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

Statement for the Year Ended 9/30/2007 – Grand Valley Health Plan NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation – The accompanying financial statements have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP's) for health organizations except to the extent that state requirements differ.

Use of Estimates – In conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual (SSAP's), the preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates that are most susceptible to change in the near term are accounts receivable and the liability for unpaid and unreported claims.

Investments (Contingency Reserve) – Pursuant to requirements of the Commissioner of Insurance for the State of Michigan, Grand Valley Health Plan executed a trust indenture. The trust is established to provide for the payment of medical services in the event Grand Valley Health Plan is unable to make payment. The agreement requires trust assets to be a minimum of \$1,000,000. The trust account met or exceeded funding requirements, as specified in the agreement. The trust invests principally in government money market funds, is stated at fair market value, and is included in cash and cash equivalents.

Investment in Affiliates – Other Invested Assets consists of a 30% interest in Leonard Street, LLC. Leonard Street, LLC operates and maintains the building used by Grand Valley Health Plan Radiology, Grand Valley Health Plan Pharmacy, Grand Valley Health Plan Beckwith Family Practice, Grand Valley Health Plan Urgent Care, Grand Valley Health Center OB Center, Grand Valley Surgical Center, LLC, and Orthopaedic Associates of Grand Rapids, PC. The Company accounts for its investment using the equity method of accounting.

Investments in Subsidiaries – None to report.

Bonds – None to report.

Common Stock and Additional Paid in Capital – stated at cost.

Preferred Stock – None to report.

Mortgage Loans (Valuation Basis) – None to report.

Securities (Loan-Backed) – None to report.

Derivatives – None to report.

Liabilities for Claims and Claim Adjustment Expenses – Health care costs are accrued as services are rendered, and include fees to physicians, hospitals, pharmacies and other providers for continuing medical care, and payments made on individual claims for which services have been performed including estimates of services performed which have not yet been reported. The reserves for incurred but not reported claims are to cover this estimated medical cost. Claims unpaid and unpaid adjustment expenses include amounts determined from individual case estimates, claim reports, and an amount for claims incurred but not reported based on past experience. Subsequent actual claim experience will differ from the estimated liability due to variances in estimated and actual member utilization of health care services, the amount of charges, and other factors. While management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount estimated in these financial statements. The Company limits a portion of their liability through stop-loss insurance. The methods for making estimates and for establishing the claims adjustment expense reserve are continually reviewed and any adjustments are reflected as determined in the periodic financial statements.

NOTES TO FINANCIAL STATEMENTS

Capitalization policy – The Company has not modified its capitalization policy from the prior year.

Cash and Short-Term Investments – This category includes deposits in financial institutions and short-term investments with maturities of 90 days or less from the date of acquisition.

Accounts Receivable – This category represents charges to employer groups and individuals, primarily on open account. Adjustments to customer accounts are made to estimate net realizable amounts with appropriate charges to premium revenues.

Inventories – Inventories consist of pharmaceuticals and are stated at cost (first-in, first-out method).

Property and Equipment – Depreciable assets are stated at cost. Depreciation is generally computed using the straight-line method over the estimated useful lives of the depreciable assets except for Health Care Delivery assets which are depreciated over a period not to exceed three years in accordance with SSAP 73, and EDP Equipment and Operating System Software which also do not exceed three years per SSAP 79. Non-Operating software is depreciated over the lesser of its useful life or five years per SSAP 79. If not limited by the aforementioned SSAP, the estimated useful lives are listed as follows:

Building and land improvements	5 - 40 years
Medical equipment	5 - 7 years
Office furniture and equipment	5 - 7 years
Electronic data processing equipment	3 - 5 years

These assets are reviewed for impairment when events indicate that the carrying amount may not be recoverable.

Premiums – member premiums are recorded as revenues in the month that members are entitled to services. Premiums collected in advance are recorded as Premiums Received in Advance.

Related Party Transactions – The Company is related with other entities through common ownership and management (see note 10).

Employee Benefit Plans –The Company participates in the parent company's Employee Stock Ownership Plan (ESOP) and 401(k) plans (see note 12). The Company maintains a profit sharing plan and there were no profit sharing contributions to the plan in the period.

Income Taxes – The Company records income tax expense based on the amount of current taxes plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities, using enacted tax rates. Under the statutory basis of accounting some of these deferred assets are considered non-admitted assets and therefore are excluded. The Company is included in the Grand Valley Health Corporation parent company consolidated tax return (see note 9).

2. Accounting Changes and Corrections of Errors – None to report.

3. Business Combinations and Goodwill – None to report.

4. Discontinued Operations – None to report.

5. Investments (Other) – The Company continues to own one of its six health centers located in Wyoming, Michigan a suburb of Grand Rapids, Michigan. There is no impairment loss, and the Company does not engage in retail land sales operations. During the period there were no mortgage or real estate loans, no debt restructuring, no reverse mortgages, no loan-backed securities, and no repurchase agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies – There are no investments that exceeded 10% of the admitted assets of the Company and there are no impaired investments.

7. Investment Income – None to report.

8. Derivatives – None to report.

NOTES TO FINANCIAL STATEMENTS

9. **Income Taxes** – The total of all deferred tax assets at September 30, 2007 is \$574,000. There is no deferred tax liability. The non-admitted deferred tax asset, as the result of the application of SSAP #10 is \$50,614, leaving an admitted deferred tax asset of \$523,386. At December 31, 2006 the non-admitted portion of the deferred tax assets was \$232,286. The net change during the year in the total non-admitted deferred tax assets is (\$181,672). The significant component of current income tax expense is tax expense of \$186,457 at the statutory rate of 34%. The current federal income tax recoverable is \$370,717. All of the net operating losses were used to offset taxable income generated by other members in the consolidated tax returns during 2004. There are no net operating loss carryforwards available to offset future taxable income. There were no significant adjustments to deferred tax assets for enacted changes in tax laws or rates or a change in the tax status of the Company. The entities that are consolidated for federal income tax purposes are Grand Valley Health Plan, Inc., Grand Valley Health Management Inc., Grand Valley Health Facilities Inc., Grand Valley Technology Services, LLC, and Grand Valley Health Corporation. These entities have agreed that the amount of a consolidated NOL that is attributable to a Member is determined by a fraction, the numerator of which is the separate NOL of the Member and the denominator of which is the sum of the separate NOL's of all other Members. For this purpose, the separate NOL of a Member is determined by computing the consolidated NOL by taking into account only the Member's items of income, gain, deduction, and loss, including the Member's losses and deductions actually absorbed by the group in the taxable year.

10. **Information Concerning Parent, Subsidiaries, and Affiliates** – Grand Valley Health Plan, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation and under agreement pays Grand Valley Health Corporation for management services primarily for the Chief Executive Officer and staff, the Financial staff, and the Corporate Human Resources department. Grand Valley Health Facilities, Inc. is a wholly owned subsidiary of Grand Valley Health Corporation, and primarily manages buildings utilized by Grand Valley Health Plan. Grand Valley Health Plan pays Grand Valley Health Facilities for rental and other facility related expense reimbursements. Grand Valley Health Management is a wholly owned subsidiary of Grand Valley Health Corporation. Grand Valley Health Plan under agreement charged Grand Valley Health Management for administrative and pharmacy services, which are concurrently charged to the Grand Valley Surgical Center, LLC which is partially owned by Grand Valley Health Management (54%) and Grand Valley Health Corporation (1%). Grand Valley Technology Services, LLC is 52% owned by Grand Valley Health Corporation and 48% owned by other investors. Grand Valley Technology Services provides technology solutions to Grand Valley Health Plan for its insurance and medical management practices. All of the above relationships are based upon arms length transactions. In addition, any above mentioned Grand Valley Company may occasionally pay general accounts payable where a portion of the expense is appropriately charged to one of the other members of the holding company, and any above-mentioned Grand Valley company (except the Grand Valley Surgical Center) may be subject to the effect of the tax allocation agreement described in footnote 9. All charges are generally approved and settled by the corresponding entity typically within 30 days. The total recurring charges due to Grand Valley Health Plan in 2007 for the above transactions were \$155,574 – Grand Valley Health Corp. \$15,093 – Grand Valley Health Management \$6,561 – Grand Valley Health Facilities \$123,876 – Grand Valley Technology Services \$10,044. The total recurring charges due from Grand Valley Health Plan in 2007 for the above transactions were \$3,068,910 -- Grand Valley Health Corporation \$609,660 – Grand Valley Health Management \$0 – Grand Valley Health Facilities \$1,473,633 – Grand Valley Technology Services LLC \$985,617. At September 30, 2007 receivables from affiliates totaled \$68,742 as follows: Grand Valley Health Corporation - \$34,708, Grand Valley Health Management - \$5,750, Grand Valley Health Facilities - \$2,035 and Grand Valley Technology Services – \$26,249. At September 30, 2007 net liabilities from affiliates totaled \$55,078 as follows: Grand Valley Health Corporation - \$42,993, Grand Valley Health Management - \$0, Grand Valley Health Facilities - \$4,976 and Grand Valley Technology Services \$7,109.

11. **Debt** – None to report.

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Post-retirement Benefits, and Compensated Absences and Other Post-retirement Benefits Plans - The Company participates in an Employee Stock Ownership Plan (ESOP) covering substantially all employees of the Company that meet eligibility requirements. The Plan invests primarily in the common stock of its parent company, Grand Valley Health Corporation. The Company accrued ESOP contributions of \$165,960 during 2007 year to date. The Company maintains a 401(k) plan that provides for matching contributions per Board discretion. The Company accrued 401(k) plan matching contributions of \$81,777 during 2007 year to date. There are no deferred compensation plans and no other post-retirement plans. Compensated absences are accrued to cover unused vested vacation days.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations - Common Stock of \$312,996 is stated at its par value of \$1.00. There are 400,000 shares authorized of which 312,996 have been issued, coupled with Additional Paid-in-Capital of \$1,212,873. There were neither dividends nor dividend restrictions during the year. There are no restrictions placed on surplus funds except for the Surplus Note. There is no stock of the Company held for special purposes. There are no special surplus funds other than the Surplus Note. There is no portion of the unassigned surplus funds that has been represented by or reduced for any purpose. On February 28, 2001 the Company received an additional \$500,000 in capital from its parent. Principal and interest payments on this Surplus Note shall only be repaid out of the surplus earnings of the Company and with prior written approval of the State of Michigan Department of Consumer and Industry Services, Office of Financial and Insurance Services, Division of Insurance. Interest is at the rate of eight and one-half percent per annum, computed annually and not compounded. Subject to the prior written approval of the Board of Directors of Grand Valley Health Plan and the prior written approval of the Michigan Insurance Division, interest shall be paid annually from earned surplus until the entire principal amount is paid in full. If Grand Valley Health Plan does not pay interest in any year, the interest shall be non-cumulative and will neither be paid nor accrued for future payment. The surplus note does not have a stated maturity or repayment date. There were no principal and/or interest payments during the period. The surplus note is expressly subordinated to claims of creditors and members of Grand Valley Health Plan and any other priority claims provided by Chapter 81 of the Insurance Code, which provides that surplus notes are at the eighth level of priority. There has not been a quasi-reorganization of the Company.
14. Contingencies - The Company is periodically involved in professional liability claims arising from its medical practice, which are defended and handled in the ordinary course of business. Management believes there is no liability outstanding. A recent general liability case was acted upon and settled for \$210,000. This was paid in October 2006. The management does not believe there are any other general liabilities outstanding. The Company is not under investigatory controls of the Michigan Office of Financial and Insurance Services. The Company is in full compliance with prior agreements and orders of the Michigan Office of Financial and Insurance Services.
15. Leases - The Company has operating leases for health centers, medical facilities, and an administrative office from various entities, which are considered related parties. These non-cancelable leases contain various renewal options subject to increases in the monthly rental payments. Lease terms expire at various dates through 2008. These leases require the Company to pay all utilities, maintenance and taxes. Future minimum lease payments are as follows: 2007 - \$1,383,789, 2008 \$754,394. The grand total for 2007 - 2008 minimum lease payments - \$2,138,183. Total expense, including but not limited to utilities, maintenance and taxes, amounted to \$1,473,633 as of September 30, 2007.
16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk - None to report.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None to report.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans - None to report.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators - None to report.

NOTES TO FINANCIAL STATEMENTS

20. September 11 Events – None to report.
21. Other Items – None to report.
22. Events Subsequent – There was one disputed out of area hospitalization case during 2003 that was partially reserved at year-end 2004 and 2005. The full amount reserved as of December 2006 is \$469,000. This case was resolved and paid out during 1st quarter of 2007. There were no other Type I or Type II subsequent events.
23. Reinsurance – The Company limits a portion of its medical claims liability through stop-loss insurance. Under the terms of this agreement, the insurance company will reimburse approximately 90% of the cost of each member’s applicable annual services per reinsurance contract in excess of \$150,000, up to a specific annual stop-loss benefit per member of \$1,000,000. At September 30, 2007, the Company has recorded a receivable under this agreement in the amount of \$86,975. There was no uncollectible reinsurance written off during the quarter.
24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – None to report.
25. Change in Incurred Claims and Claim Adjustment Expenses – None to report.
26. Inter-company Pooling Arrangements – None to report.
27. Structured Settlements – None to report.
28. Health Care Receivables – At September 30, 2007 the identified pharmacy rebates recorded as healthcare receivables are \$0.

Note #28

A. Pharmaceutical Rebate
Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Estimated Pharmacy Rebates for previous 3 months	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
9/30/2007	0	0	0	0		18,543
6/30/2007	0	0	0	20,781	10,343	
3/31/2007	20,781	20,791	0	53,175		
12/31/2006	92,626	53,175	39,451	66,916		
9/30/2006	123,706	86,297	37,409			*
6/30/2006	30,000					
3/31/2006	32,829			30,000		
12/31/2005	33,448			3,448		
9/30/05	-					
6/30/05	-					
3/31/05	-					
12/31/04	-					
9/30/04	62,000				62,000	
6/30/04	62,000					

*The estimated pharmacy rebates as reported on the financial statements includes confirmed rebates that were actually received within 90 days and an estimate of the previous 3 months filled perscriptions. Per SSAP 84.

29. Participating Policies – None to report.

NOTES TO FINANCIAL STATEMENTS

30. Premium Deficiency Reserves – None to report.

31. Anticipated Salvage and Subrogation – None to report.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2005
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2005
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/24/2007
- 6.4

By what department or departments?
Michigan Office of Financial & Insurance Services.....
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes ☐ No ☒
- 7.2

If yes, give full information:
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

GENERAL INTERROGATORIES

9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes ☒ No ☐

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.

9.11

If the response to 9.1 is No, please explain:

9.2

Has the code of ethics for senior managers been amended?.....

Yes ☐ No ☒

9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes ☐ No ☒

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes ☒ No ☐

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$

34,708

INVESTMENT

11.1

Has there been any change in the reporting entity's own preferred or common stock?

Yes ☐ No ☒

11.2

If yes, explain:

12.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes ☐ No ☒

12.2

If yes, give full and complete information relating thereto:

13.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$

14.

Amount of real estate and mortgages held in short-term investments:

\$

15.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☒ No ☐

15.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
15.21 Bonds	\$	\$
15.22 Preferred Stock	\$	\$
15.23 Common Stock	\$	\$
15.24 Short-Term Investments	\$	\$
15.25 Mortgage Loans on Real Estate	\$	\$
15.26 All Other	\$689,076	\$718,405
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$689,076	\$718,405
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above	\$	\$

16.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

16.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes ☐ No ☐

If no, attach a description with this statement.

GENERAL INTERROGATORIES

17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Fifth Third Bank.....	Grand Rapids, Michigan.....
Macatawa Bank.....	Holland, Michigan.....

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter?

Yes [] No [X]

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Fifth Third Bank.....	Andrew Schmidt.....	Grand Rapids, Michigan.....

18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes [X] No []

18.2 If no, list exceptions:

.....

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,035,580	1,251,834
2. Increase (decrease) by adjustment	(21,667)	(216,254)
3. Cost of acquired	0	0
4. Cost of additions to and permanent improvements	0	0
5. Total profit (loss) on sales	0	0
6. Increase (decrease) by foreign exchange adjustment	0	0
7. Amount received on sales	0	0
8. Book/adjusted carrying value at end of current period	1,013,913	1,035,580
9. Total valuation allowance	0	0
10. Subtotal (Lines 8 plus 9)	1,013,913	1,035,580
11. Total nonadmitted amounts	0	0
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	1,013,913	1,035,580

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, September 30 of prior year.....	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions	0	0
2.2. Additional investment made after acquisitions	0	0
3. Accrual of discount and mortgage interest points and commitment fees	0	0
4. Increase (decrease) by adjustment	0	0
5. Total profit (loss) on sale	0	0
6. Amounts paid on account or in full during the period	0	0
7. Amortization of premium	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts	0	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	689,076	749,388
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	0	0
2.2. Additional investment made after acquisitions	0	0
3. Accrual of discount	0	0
4. Increase (decrease) by adjustment	29,329	(60,312)
5. Total profit (loss) on sale	0	0
6. Amounts paid on account or in full during the period	0	0
7. Amortization of premium	0	0
8. Increase (decrease) by foreign exchange adjustment	0	0
9. Book/adjusted carrying value of long-term invested assets at end of current period	718,405	689,076
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	718,405	689,076
12. Total nonadmitted amounts	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	718,405	689,076

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	0	0
2. Cost of bonds and stocks acquired	0	0
3. Accrual of discount	0	0
4. Increase (decrease) by adjustment	0	0
5. Increase (decrease) by foreign exchange adjustment	0	0
6. Total profit (loss) on disposal	0	0
7. Consideration for bonds and stocks disposed of	0	0
8. Amortization of premium	0	0
9. Book/adjusted carrying value, current period	0	0
10. Total valuation allowance	0	0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts	0	0
13. Statement value	0	0

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 .....	.0				.0	.0	.0	.0
2. Class 2 .....	.0				.0	.0	.0	.0
3. Class 3 .....	.0				.0	.0	.0	.0
4. Class 4 .....	.0				.0	.0	.0	.0
5. Class 5 .....	.0				.0	.0	.0	.0
6. Class 6	0				0	0	0	0
7. Total Bonds	0	0	0	0	0	0	0	0
PREFERRED STOCK								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	0	0	0	0	0	0	0	0

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	1,004,136	XXX	1,000,000	42,913	

SCHEDULE DA - PART 2- VERIFICATION

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	1,004,410	1,075,359
2. Cost of short-term investments acquired .....		.0
3. Increase (decrease) by adjustment	(274)	(70,949)
4. Increase (decrease) by foreign exchange adjustment .....		.0
5. Total profit (loss) on disposal of short-term investments .....		.0
6. Consideration received on disposal of short-term investments .....		.0
7. Book/adjusted carrying value, current period	1,004,136	1,004,410
8. Total valuation allowance .....		.0
9. Subtotal (Lines 7 plus 8)	1,004,136	1,004,410
10. Total nonadmitted amounts .....		.0
11. Statement value (Lines 9 minus 10)	1,004,136	1,004,410
12. Income collected during period	42,913	.0
13. Income earned during period	42,913	0

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE Grand Valley Health Plan, Inc.

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

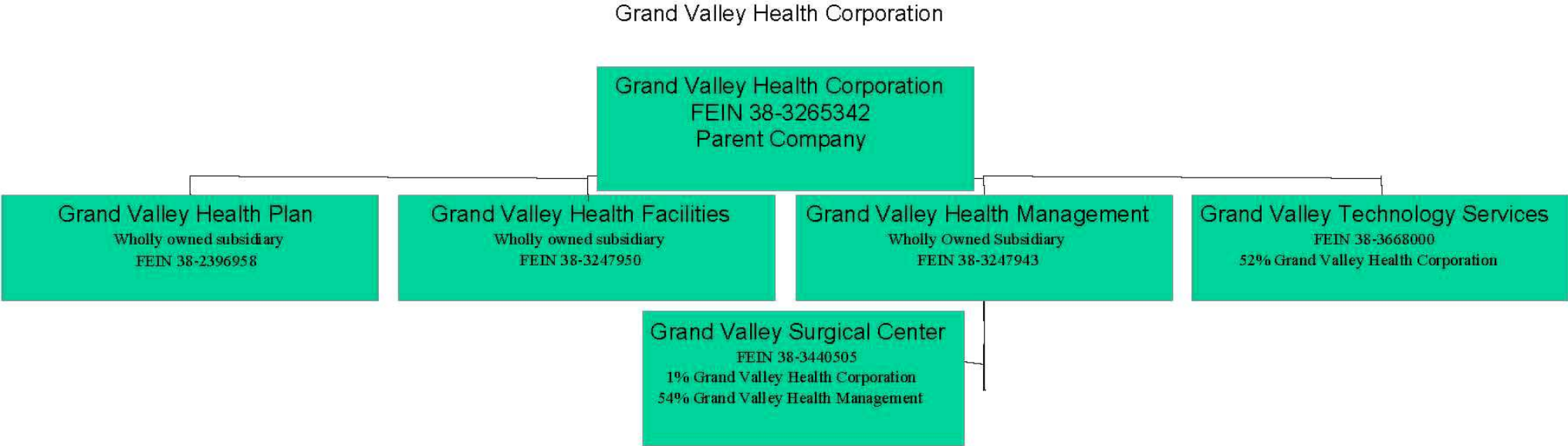
[illegible]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
States, Etc.	1	Direct Business Only								
	Is Insurer Licensed (Yes or No)	2	3	4	5	6	7	8	9	
		Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL							.0		
2. Alaska	AK							.0		
3. Arizona	AZ							.0		
4. Arkansas	AR							.0		
5. California	CA							.0		
6. Colorado	CO							.0		
7. Connecticut	CT							.0		
8. Delaware	DE							.0		
9. District of Columbia	DC							.0		
10. Florida	FL							.0		
11. Georgia	GA							.0		
12. Hawaii	HI							.0		
13. Idaho	ID							.0		
14. Illinois	IL							.0		
15. Indiana	IN							.0		
16. Iowa	IA							.0		
17. Kansas	KS							.0		
18. Kentucky	KY							.0		
19. Louisiana	LA							.0		
20. Maine	ME							.0		
21. Maryland	MD							.0		
22. Massachusetts	MA							.0		
23. Michigan	MI	Yes	20,479,108		4,762,398			25,241,506		
24. Minnesota	MN							.0		
25. Mississippi	MS							.0		
26. Missouri	MO							.0		
27. Montana	MT							.0		
28. Nebraska	NE							.0		
29. Nevada	NV							.0		
30. New Hampshire	NH							.0		
31. New Jersey	NJ							.0		
32. New Mexico	NM							.0		
33. New York	NY							.0		
34. North Carolina	NC							.0		
35. North Dakota	ND							.0		
36. Ohio	OH							.0		
37. Oklahoma	OK							.0		
38. Oregon	OR							.0		
39. Pennsylvania	PA							.0		
40. Rhode Island	RI							.0		
41. South Carolina	SC							.0		
42. South Dakota	SD							.0		
43. Tennessee	TN							.0		
44. Texas	TX							.0		
45. Utah	UT							.0		
46. Vermont	VT							.0		
47. Virginia	VA							.0		
48. Washington	WA							.0		
49. West Virginia	WV							.0		
50. Wisconsin	WI							.0		
51. Wyoming	WY							.0		
52. American Samoa	AS							.0		
53. Guam	GU							.0		
54. Puerto Rico	PR							.0		
55. U.S. Virgin Islands	VI							.0		
56. Northern Mariana Islands	MP							.0		
57. Canada	CN							.0		
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	
59. Subtotal	XXX	20,479,108	.0	.0	4,762,398	.0	.0	25,241,506	.0	
60. Reporting entity contributions for Employee Benefit Plans	XXX							.0		
61. Total (Direct Business)	(a) 1	20,479,108	0	0	4,762,398	0	0	25,241,506	0	
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....NO.....

Explanation:

1.

Bar Code:

1.



OVERFLOW PAGE FOR WRITE-INS

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

STATEMENT AS OF SEPTEMBER 30, 2007 OF THE Grand Valley Health Plan, Inc.

SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2

NONE